

Application Number 09/628,479
Responsive to Office Action mailed March 1, 2004

REMARKS

This amendment is responsive to the Office Action dated March 1, 2004. Applicant has amended claims 1, 3, 4, 8, 9, 10, 13, 15, 31 and 33, and canceled claims 2, 7, 14, and 17. Claims are 1, 3-6, 8-13, 15-16, and 18-33 are pending upon entry of this amendment.

Claim Rejection Under 35 U.S.C. § 101

Claims 1-9, 15-16 and 18-33

In the Office Action, the Examiner rejected claims 1-9, 15-16 and 18-33 under 35 U.S.C. 101 stating that the claimed invention is directed to non-statutory subject matter. In particular, the Examiner stated that the claims are not directed to the "technological arts." The Examiner primarily relied upon *In re Toma* as a basis for this decision.¹ In summary, the Examiner asserted that the court applied a two-part test: (1) the claimed invention must be directed to the technical arts, and (2) the recitation of a mathematical algorithm must not render the claimed subject matter non-statutory. The Examiner reasoned that the "useful, tangible and concrete result" requirement set forth in the *State Street Bank*² decision only addressed the second prong of this test.

Applicant respectfully traverses this requirement. Nevertheless, to expedite prosecution, Applicant has amended the present claims per the Examiner's suggestion to clarify that the claims are directed to the "technical arts." However, Applicant does not acquiesce to the Examiner's rejection and preserves the right to traverse the rejection with respect to the currently pending claims.

To illustrate the Examiner's error, Applicant notes that in the *State Street Bank* decision, the court clearly stated:

The plain and unambiguous meaning of § 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35, i.e., those found in §§ 102, 103, and 112.³

Further, the court stated:

¹ See Office Action, page 4, describing a "two prong" test set forth by *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978).

² *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

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The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to –process, machine, manufacture, or composition of matter—but rather on the essential characteristics of the subject matter, in particular, its practical utility (emphasis added).⁴

Thus, in *State Street Bank* the court made clear that a claim directed to a process encompasses patentable subject matter if the claimed subject matter has “practical utility.” In this manner, the two-prong test set forth by the Examiner is clearly inconsistent with the language of the *State Street Bank* decision. In contrast to the Examiner’s assertion, in *State Street Bank*, the court set forth the sole test for determining whether a claimed process constitutes patentable subject matter. In applying the test, the court concluded that the claimed process recited transformation of data by a machine through a series of mathematical calculations and “constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces ‘a useful, concrete and tangible result’.”⁵

Applicant submits that the claims, as amended, are directed to statutory subject matter under 35 U.S.C. §101. Applicant requests withdrawal of the rejection of claims 1-9, 15-16 and 18-33 under 35 U.S.C. § 101.

Claims 10-13 and 31-33

In the Office Action, the Examiner rejected claims 10-13 and 31-33 under 35 U.S.C. § 101 stating that the claimed invention fails to produce a “useful, concrete and tangible result.” Applicant traverses this rejection, but has nevertheless amended claims 10 and 33 to clarify that the claims recite elements satisfying this requirement, including the generation of a budget report.

Claims 20-30

The Examiner rejected claims 20-30 stating that the claims are directed to medium comprising a data structure and, therefore, are directed to non-statutory subject matter. Applicant respectfully traverses the rejection. For support of the rejection, the Examiner cites the well-

³ Id at 1372.

⁴ *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

⁵ Id at 1373.

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known patent to Beauregard et al. as an example of claims directed to statutory subject matter, i.e., computer-readable medium encoded with instructions. The Examiner appears to conclude that the subject matter of Applicant's independent claim 20 is not directed to a medium storing encoded instructions and, therefore, not directed to statutory subject matter.

Applicant respectfully points out that the Court of Appeals for the Federal Circuit (CAFC) has specifically considered claims to a computer-readable medium storing unique data structures. In particular, in *In re Lowry*, the CAFC expressly stated that data structures on a medium are specific electrical or magnetic structural elements. In the *In re Lowry* decision, in direct contrast to the Examiner's assertion, the CAFC concluded that:

Lowry's data structures, while including data resident in a database, depend only functionally on information content. While the information content affects the exact sequence of bits stored in accordance with Lowry's data structures, the claims require specific electronic structural elements which impart a physical organization on the information stored in memory.⁶

The court noted that the data structures are physical entities that provide increased efficiency in computer operation, and enable more efficient data processing operations on stored data. The court concluded, therefore, that the data structures indeed "perform a function" and constitute patentable subject matter under 35 U.S.C. § 101. Consequently, the Lowry data structures indeed provide a useful, concrete and tangible result.

Moreover, the Office has specifically addressed both: (1) a computer-readable media encoded with computer instructions, and (2) a computer-readable medium encoded with data structures. With respect to the latter, the Office states:

Data structures not claimed as embodied in computer-readable media are descriptive material per se and are not statutory because they are neither physical "things" nor statutory processes. Such claimed data structures do not define any structural and functional interrelationships between the data structure and other claimed aspects of the invention which permit the data structure's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the medium

⁶ In re Lowry at 1034.

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which permit the data structure's functionality to be realized, and is thus statutory
(emphasis added).⁷

In accordance with these requirements, Applicant's claim 20 is directed to a computer-readable medium comprising a set of data structures to store data that defines an organizational model that controls a network-based budget planning system for reconciliation of target data and forecast data for an organization. Claim 20 requires that the model includes a plurality of nodes that are hierarchically arranged into a number of levels, and further recites a set of data structures to store data that defines a number of contributors, wherein each node of the model is associated with a contributor to control the selective capture of review information from the contributors by the network-based system during the reconciliation.

Applicant submits that claims 20-30 are directed to a computer-readable medium in which the data structures enable more efficient data processing operations and, in particular, the operation of a network-based budget planning system. As a result, the data structures of Applicant's claims provide a useful, concrete and tangible result. As expressly stated by the court in the *In re Lowry* decision, as recognized by the Office's guidelines, such claims are directed to patentable subject matter under § 101. Applicant requests withdrawal of the rejection of claims 20-30 under 35 U.S.C. § 101.

Claim Rejection Under 35 U.S.C. § 112

In the Office Action, the Examiner rejected claims 2, 8-14 under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In general, the Examiner asserted that the relationship between claims 1 and 2 is unclear. Applicant has canceled claim 2 and amended claim 1 for purposes of clarification. Applicant submits that claims, as amended, particularly point out and distinctly claim the subject matter, as required by 35 U.S.C. 112, second paragraph.

In addition, the Examiner asserted that claims 3 and 4 recite "non-functional descriptive material" and, therefore, do not further limit the base claim. Applicant construes the Examiner's rejection as under 35 U.S.C. § 112, fourth paragraph, which requires that a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed.

⁷ Examination Guidelines for Computer-Related Inventions Final Version, pg. 9.

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Applicant traverses this rejection. Applicant's claim 3 recites the additional limitation that "capturing forecast data" (as recited in claim 1) is limited to "receiving the forecast data from a remote computing device over a packet-based network." Claim 3, therefore, clearly further limits claim 1. Applicant's claim 4 further limits "capturing forecast data" to include the additional limitations of "communicating a template and a calculation engine to the remote computing device, wherein the template includes a data cube for storing the target data and the forecast data." Again, Applicant's claim 4 recites functional material that clearly further limits the claims on which claim 4 depends.

Thus, the Examiner's statement that "limitations of claim 1 would be performed regardless of manner [sic] in which the 'capturing of data' takes place," fails to correctly consider that the recited elements of claims 3 and 4 recite functional material that limits the manner in which the data is captured. This analysis applies to claims 11 and 12, which the Examiner rejected in a similar manner. Applicant requests withdrawal of the rejection of claims 2, 8-14 under 35 U.S.C. § 112.

Claim Rejection Under 35 U.S.C. § 102

In the Office Action, the Examiner rejected claims 1, 3, 4-7, 10-12, and 31-33 under 35 U.S.C. 102(b) as being anticipated by Wainscott et al. (WO 96/30852). Applicant respectfully traverses the rejection to the extent such rejection may be considered applicable to the amended claims. Wainscott et al. ("Wainscott") fails to disclose each and every feature of the claimed invention, as required by 35 U.S.C. 102(b), and provides no teaching that would have suggested the desirability of modification to include such features.

As indicated by the Examiner, neither Wainscott nor any other prior art of record teaches or suggests each and every limitation set forth in many of the currently pending claims, including independent claim 15.⁸ For example, Wainscott fails to teach or suggest selectively presenting with the computer the forecast data and the target data to a subset of the contributors for reconciliation based on a current level of the model, receiving review information with the computer from the subset of the contributors selected based on the current level, updating the current level with the computer according to review information, and generating with the computer a budget for the organization based on the forecast data when the forecast data is

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approved by a contributor associated with a root node within a highest level of the model, as recited by claim 15.

Applicant has amended independent claims 1, 10, and 31 to include limitations not found within the prior art of record. For example, Applicant has amended claim 1 to recite:

executing software on the server to perform a reconciliation process to reconcile the target data and the forecast data in accordance with the organizational model by:

selecting one or more of the contributors associated with a current level of the organizational model,

presenting the target data and the forecast data to the selected contributors,

receiving with the server review information from the selected contributors, wherein the review information indicates whether the selected contributors accept or reject the forecast data in view of the captured target data, automatically updating the current level with the server based upon the review information,

receiving with the server updated forecast data based on the updated current level when at least one of the selected contributors rejects the forecast data, and

repeating the reconciliation process with the server until the current level reaches a pre-defined level of the model and the review information indicates that the selected contributors associated with that pre-defined level accept the forecast data.

Wainscott fails to disclose each and every feature of the claimed invention, as required by 35 U.S.C. 102(b), and provides no teaching that would have suggested the desirability of modification to include such features. For at least these reasons, withdrawal of this rejection is requested.

⁸ In the Office Action, the Examiner only rejected claims 1, 3, 4-7, 10-12, and 31-33 under 35 U.S.C. 102(b) as being anticipated by Wainscott.

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CONCLUSION

All claims in this application are in condition for allowance. Applicant respectfully requests reconsideration and prompt allowance of all pending claims. Please charge any additional fees or credit any overpayment to deposit account number 50-1778. The Examiner is invited to telephone the below-signed attorney to discuss this application.

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May 25, 2004
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